

FISCAL NOTE

SB 645 - HB 1362

April 8, 2003

SUMMARY OF BILL: Authorizes the state to sell general obligation bonds and bond anticipation notes in an amount not to exceed \$100,000,000. The proceeds will be used by the Department of Finance and Administration for office and program facility projects for the state. Provides for the issuance of such bonds when the Building Commission and the Funding Board determine it costs less to acquire or construct a facility and pay for such facility from bond proceeds than to enter into a lease at a higher cost for the same or similar space.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$11,000,000 1st Year Debt Service /
Permissive**

\$163,000,000 Over life of the bonds
\$100,000,000 Principal
\$63,000,000 Interest

This estimate assumes to the extent that bonds are issued under the provisions of the bill that they will be issued for a period of 20 years at an interest rate of 6% and that 1/20th of the principal plus interest will be paid annually. The maximum 1st year debt service is estimated to be \$11,000,000 but to the extent bonds are authorized in a lesser amount than the maximum authorization, the increase in expenditures for debt service would be less.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director